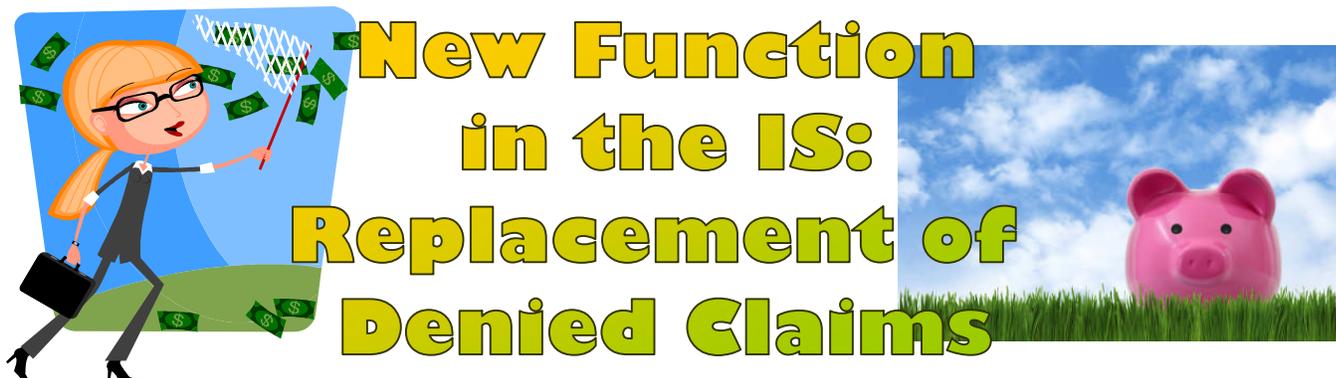


RMD Bulletin

Knowledge is power...



When the State Department of Mental Health implemented Short-Doyle/Medi-Cal Phase II (SDMC2), they stopped issuing Error Correction Reports (ECR) and denied all claims that previously would have been suspended. ECRs were discontinued because SDMC2 now allows providers to replace incorrect elements of a claim. Later this month, the Integrated System (IS) will implement this replacement function for denied claims.

What is a Replacement Claim?

A replacement claim allows providers to replace a previously denied claim while retaining the date the State received the original claim.

How is it different from resubmitting a claim?

- ☞ The name on the button will change from “Resubmit” to “Replace.” This means that you will no longer resubmit claims, you will replace them instead.
- ☞ When the State processes Medi-Cal replacements, they will be able to look at the date that they received the original claim that was denied.
 - Before this change, it was not possible for resubmitted claims to reference any information from the original claim that was already at the State. The State used the date when they received the resubmission to process the claim.
- ☞ You have a limited time to submit your replacement claims. The State must receive your replacement within 97 days of the date the original claim was denied.
 - Remember, claims are not sent to the State the day you submit them to the IS. (There is processing that must be done before the claim is sent to the State.) You will get a warning telling you that your replacement claim may be denied because it may have been submitted too late to reach the State within 97 days of the original claim’s denial.

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Which claims are eligible to be replaced?

- 👉 Claims originally submitted within one year of the date of service. *This is true even if the claim is now more than one year from the date of service as long as it is within 97 days of the State denying the claim.*

Which claims cannot be replaced?

- 👉 Claims that were denied by the State for late submission.
- 👉 Day treatment claims.
- 👉 Claims that have already been replaced.
- 👉 Claims that were denied for IS Rules.

Are there any other restrictions?

Yes.

- 👉 You cannot change the Medi-Cal Client Index Number (CIN) on the claim. The State sees claims with a different CIN as a claim for a different client, not as a replacement claim. They will deny your replacement claim with denial reason CO 129. If the CIN on your original claim was incorrect, void the claim with the incorrect CIN and submit a new original claim.
- 👉 You cannot change more than two (2) of the following four (4) elements on a claim.
 - The type of service (e.g., from a mental health service to a medication support service or from targeted case management to a mental health service).
 - The date of service.
 - The place of service.
 - The billing provider.

If you change more than two of these elements, you will receive a warning from the IS reminding you that at least two (2) of these elements must match the original claim. Changing more than any two of these elements will cause the State to deny the replacement claim with denial reason CO 129.

- 👉 You cannot change the late code on a replacement unless you have documentation supporting the change. It is likely that the State will look for this information during an audit.

Attached is the Medi-Cal Denial Reason Code Descriptions which lists the denial reason with the remark codes and what they tell you about why the claim is denied. Use this cheat sheet to help you determine everything that can be corrected on the claim so that your replacement will not be denied.

We're here to help you...

If you have any questions or require further information, please do not hesitate to contact RMD at (213) 480-3444 or RevenueManagement@dmh.lacounty.gov.